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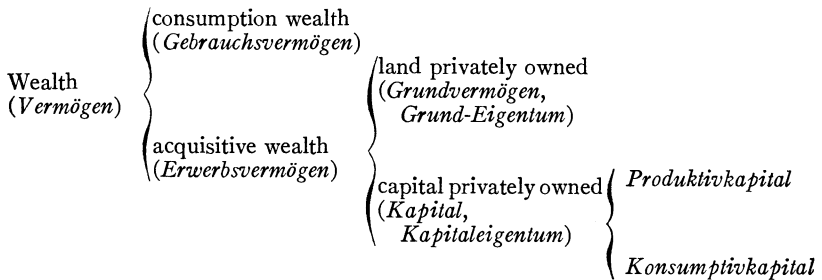
It is a pleasure to record that the author has come very near to achieving his ambition, and also to fulfilling the other requirements above stated.

J. PAUL GOODE

THE UNIVERSITY OF CHICAGO

*Der Streit um den Capitalsbegriff.* Seine geschichtliche Entwicklung und Versuche zu seiner Lösung. Von DR. WALTHER JACOBY. Jena: Gustav Fischer, 1908. Pp. 117.

Dr. Jacoby's proposed solution of the problem is the return to the ancient landmarks—the reassertion of the distinction between land and capital, the retention of money or of consumption goods within the capital classification according to the intention of the holder, the abandonment of the value denominator, and the insistence upon the concrete productive instrument as the essential and exclusive aspect of the capital fact. Thereby it comes about that his classifications formulate themselves as follows:



It must in fairness be said that these conclusions are arrived at after a thorough and scholarly exposition and analysis of earlier capital discussions in German; the author, however, confesses and regrets his unfamiliarity with American literature in this particular field. But, in any case, the tenability of his affirmative positions is neither the more nor the less established by the thoroughness or by the inadequacy of his historical acquisitions: it still remains to inquire whether his argument is valid.

What, for example, shall be said of his detailed insistence and argument in favor of the view that capital is the concrete goods themselves as such, and not the goods reduced to terms of the value denominator and expressed as value sums? In some way, however, he himself, in the end, arrives at the conclusion that

*capital* is a subhead under wealth (*Vermögen*): but wealth is itself a value category.

And what again of his treatment of *Gebrauchsvermögen*? Here the distinction between production goods and consumption goods is emphasized as fundamental; consumption goods are excluded from any part in the capital category: but at the last step of the analysis they somehow reappear as a subdivision of private capital.

And what finally of the argument according to which—from either the social or the individual point of view—land wealth is to be distinguished from other instrumental goods? Is the distinction valid on historical grounds—grounds of origin—or rather upon technological grounds? The answer is, *On both*. But if the distinction proceeds upon technological grounds, what has origin to do with the case? And if origin is relevant and controlling, how can technology be also relevant? And here again the difficulty presents itself with consumption goods; if it is permissible to regard these as capital portions of a grocer's entire holding of capital, is not the same reasoning valid to prescribe that land—which, it will be recalled, was excluded at the second step in the subclassification—be also smuggled in at the final step? May not a business man be purely and simply a retailer of land?

The truth is that this attempt to construct classifications upon the basis of several tests—each irrelevant to all the others, and all applied at once—is fated to arrive at just this sort of absurdity or of confusion. If the capital category is one consisting of private wealth held for acquisitive purposes, it must include land, consumption goods in stock, book accounts, good-will, and whatever else of value is held for gain. If the test is that of wealth held for valuable income, it will include residences, pleasure boats, pianos, and ponies. If the notion is technological and mechanical in tenor, it can fail to include no instrumental good, land or other; perhaps, also, it will need to make room for cider, ice, and growing trees. If, however, the test is the historical one—the problem of origins—it will, no doubt, bar out all *original* fertility of land—whether ascertainable or not—and all products or fractions of products due to this original fertility, no matter in what guise these products may present themselves, but it will not exclude consumption goods held for acquisitive purposes. But *if the capital category is to articulate with the phenomena of income upon invested private wealth, it will*

*have to comprise all possessions productive of valuable service with passing time.* It is worth considering whether this last is not precisely what the capital notion ought to do—as the only thing that it could possibly be good for.

H. J. DAVENPORT

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*Die Wert- und Preistheorie, mit Berücksichtigung ihrer dogmengeschichtlichen Entwicklung.* VON BERNHARD ROST.

Leipzig: Duncker & Humblot, 1908. Pp. 207.

Dr. Rost appears to be substantially an adherent of the Austrian school of value, so far, at least, as concerns the psychological aspects of the problem.

He begins by distributing *Wert* into two main subdivisions, *subjective worth* and *objective worth*. "Under subjective worth is denoted the importance which the economic man ascribes to a good as furthering his life-welfare" (p. 7). It is to be noted here that, in this interpretation of *Wert*, no notion of relativity is suggested or implied; it is merely asserted that a somewhat exists which may be later set over against something else and compared with this something: subjective worth is simply one term in some possible relation later to be established.

Likewise with objective worth—"The generally recognized capacity of a good to bring about some external result" (p. 13)—for example, the effectiveness of coal to produce so many units of heating power or to exert a certain number of units of energy. It is evident that here also is *Wert* employed only in the sense of an absolute magnitude.

And similarly with two out of the three subheads of subjective worth (p. 10):

(1) *Subjectiv Gebrauchswert* (use worth or utility—non-relative).

(2) *Subjectiv Ertragswert* (the capacity of a good to earn income when applied to productive purposes—non-relative).

(3) *Subjectiv Tauschwert* (the capacity of a good to serve individual needs through the method of exchanging it against other goods: an absolute magnitude of utility—but derivative from the relative standing of the good in the exchange process).

Here there begins to become manifest the disposition to play hide and seek with this term *Wert* and to oscillate between its relative and its absolute connotations; and this is further illustrated on